



August 6, 2012

## **Commentary: Timber tax will drive up costs for all of us**

In Sacramento, bad ideas never die.

In the run-up to the budget vote in June, many Capitol watchers breathed a small sigh of relief when a new 1% tax on wood products miraculously vanished from the list of budget bills awaiting legislative votes.

That feeling of relief, however, was short-lived. The new tax is back.

This new tax, if passed, will deal a blow to our state's struggling housing industry and make an untold number of wood products — anything from furniture to tools with wooden handles — more expensive. The tax is meant to cover the costs of California's timber regulations, the most restrictive in the nation. It will allow the government to avoid the much-needed reform of our burdensome regulatory environment.

Worse, the wood products tax could open the door to a whole range of new taxes to pay for the regulatory costs of countless individual industries. This new tax is a sign of how far politicians are willing to go to take more of our money and spend it on increased government control of our lives.

Many important environmental rules have worked to maintain California's natural beauty and to make California's forest industry — among others — an environmental leader. But as the Los Angeles Times [noted](#) in an editorial last year, some of those rules have grown into "a vehicle for anti-competitive objections and unjustified delays, an impediment to growth."

The costs of regulatory compliance have skyrocketed in the last few decades. According to a 2005 study by Cal Poly San Luis Obispo, the cost for a timber harvest plan, the equivalent of an environmental impact report, has increased by more than 1,200% since 1974. The increase is related to the complex requirements of the California Environmental Quality Act (CEQA).

"California's regulatory environment is having the unintended consequences of harming forest health," according to the study. "It is likely that California's growing regulations have only created costlier sales, not 'cleaner' ones."

A new tax on lumber will increase the cost of wood products for all Californians whether they buy them from in or out of state. It will shift the cost of regulations onto consumers and out-of-state producers, but it won't help reform our state's failed regulatory system.

Today, even supporters of the most stringent regulations work regularly to get around them.

Last year the Legislature passed a bill to allow the governor to expedite certain projects on a case-by-case basis to avoid some costs of CEQA. It was targeted, in part, toward the proposed football stadium in downtown Los Angeles. Gov. Jerry Brown is now proposing waivers from certain parts of CEQA for the high speed rail.

In its editorial, The Times rightly argued that, "rather than expedite a few favored projects individually, the Legislature should embark on a careful and comprehensive review of the California Environmental Quality Act."

Instead of increasing costs on consumers to fund an oppressive regulatory regime, we should work toward reforming our regulatory system to lower costs on California's lumber industry and make it competitive in the global economy, while preserving important environmental rules. This new tax won't do it.

Creating a new tax to fund a failed regulatory system will make the problem worse instead of fixing it. Moreover, it could open the door for legislators to push for similar taxes to fund the regulatory regimes of different industries.

A tax on restaurant food to fund health department investigations? A tax on nuts and bolts to fund building code enforcement? If this tax were to pass, the possibilities would be endless.

Many bad ideas conceived in the Legislature deserve a quick death. Instead, they just keep on living. I urge legislators to kill this bad idea once and for all.

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